GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:4455
ANSWERED ON:21.08.2000
NON-RECOVERY OF INCOME TAX
RAM SAGAR

Will the Minister of COMMUNICATIONS be pleased to state:

(a) Whether as per Income Tax Act, 1961 as amended by the Finance Acts of subsequent year, it enjoins on all postal authorities responsible for making payment on account of (i) payment of lease rentals on leased buildings exceeding Rs. 1.20 lakh per annum to deduct income tax at source at 20 per cent of the amount paid and (ii) withdrawal under National Saving Scheme (NSS);

(b) if so, whether there have been cases where this mandatory provision has not been followed resulting into non-recovery of lakhs and lakhs of rupees from January, 1994 to May, 1998; and

(c) if so, the details of all those cases together with action taken in the matter?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) Yes, Sir.

(b)&(c): Income tax is being completely deducted at the time of withdrawal under National Savings Scheme. Reply in respect of tax deduction at source from lease rent being paid by the department shall be submitted in due course as the required information is being collected from all over the country.